CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA BENEFITS COMMITTEE

Meeting of Wednesday
February 18th 1976

Attendance: Mr. J. Tait, Chairman; Mr. H. Hemens; Mr. A. Duff; Dr. J. Smola; Prof. G. Martin; Prof. J.C. Turgeon; Mr. F. Villemaire; Prof. B. Barbieri; Mr. R. Martin; Prof. A. Dickie; Mr. C. Waters; Messrs. J. Campbell, R. Brochu, R. Laberge, R. Lemieux and C. Beadle of William M. Mercer Limited.

Minutes of the December 16th 1975 and January 14th 1976 meetings

Professor Dickie proposed that the following wording replace the third sentence of paragraph four on page 2 of the minutes of December 16th 1975:

"He (Professor Dickie) commented that it was they (William M. Mercer Ltd) who proposed that instead of making the University contributions refundable to a deceased participant's estate a group insurance benefit of one times salary be included in the provisions of the pension plan. Such insurance would not be subject to income tax."

Mr. Duff proposed that the minutes of December 16th 1975 and January 14th 1976 with the amendment proposed by Prof. Dickie be adopted by the Committee. This motion was seconded by Prof. Barbieri and unanimously carried.

Open discussion of the Summary of Benefits

Mr. Brochu of William M. Mercer remarked that the Summary of Benefits was prepared prior to the analysis of the Climate Review. He remarked that a report would be ready for the next meeting and that Mercer's proposals would reflect the results of the interviews.

Mr. Campbell then gave a summary of the principal reactions of participants in the Climate Review. The conclusion was that basically Concordia was considered a good employer, however, individual knowledge of the current benefit programs was found to be poor.

In respect to what the participants would like to see in a Concordia program, the following comments were made:

Retirement

a) The participants favoured a plan providing early, unreduced pensions.
b) Indexation was stressed as being important - to the extent that the participants would be willing to pay extra.
c) Interest in the management and performance of the funds was expressed by faculty and administrative groups.
d) The subjects of vesting and the benefit formula itself were discussed.

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Death Benefits

The participants expressed a desire to see more flexibility in the Group Life formula and the provision of higher post-retirement amounts.

Disability

Reaction to the short-term sich leave policy was positive. Participants would prefer to see the $2,000 maximum increased and would like to have the benefit indexed.

Health Insurance

Some interest was expressed in a dental program. The participants would like to see the present deductible and co-insurance clauses of the current programs eliminated.

Discussion on Summary of Benefits

There was a general discussion of University financing. Mr. Duff cautioned that the government was taking a hard line on the University deficit and that the cost of any improvements in the overall program would have to be borne by the participants.

Mr. Brochu commented that it was his understanding that the overall cost of the Concordia program would be approximately the same as the current benefits costs. It was up to the Committee to identify areas where more mileage could be obtained from the available dollars.

Prof. Barbieri inquired as to the priority of benefits vis-à-vis other budgetary items.

Dr. Smola replied that benefits costs were a separate budgetary item expressed as a percentage of payroll with parameters in the 9% to 10% area.

A special request was made to the government for an amount to cover the costs of merger of the two plans, which costs could be broken into consulting fees and the costs of making the plan uniform.

A detailed discussion of the current Benefits was then held. The discussion followed in order of event and included death, disability, retirement and medical care. All members participated in the discussion which lasted about six hours.

Mercers explained that the next step was for them to develop a small number of proposals which take into account:

a) Cost restraints
b) Results of the Climate Review
c) Results of the detailed discussion held with the Committee.

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It was agreed that these proposals would be costed to within 5%. Costs related to merger would be indentified.

Mr. Tait asked when these proposals would be presented. Mr. Brochu replied that they would be ready by the first week of April

It was agreed that a full day would be set aside to study Mercer's proposal at that time.

The meeting closed at 5:15 p.m. on a motion from the Chair.

Graham Martin - Secretary

CW/dg